# BC GAMES SOCIETY

# ANNUAL REPORT

## 2005 / 2006

BC GAMES
The Spirit Lives On

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BRITISH COLUMBIA
Ministry of Tourism, Sport and the Arts

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# 1. Message from the Co-Chairs to the Minister Responsible

This past fiscal year saw successful events held in Nanaimo, Cowichan Valley, 100 Mile House, and Trail. Over six thousand five hundred volunteers supported almost seven thousand athletes and coaches at these BC Games, again emphasizing the role the BC Games Society plays in sport and community development.

Each community was supported by on-line and written resources to ensure effective management and implementation for each of these four multi-sport Games. The BC Games Society has been acknowledged as having the best *transfer of knowledge* program in the country in respect to multi-sport events. By providing these informational materials, volunteers are empowered, and take ownership of each area of responsibility, thus helping to ensure participants are well hosted, helping them to achieve their personal best. Volunteers are key to our successes around the province and the BC Games Society continues to refine our materials and how we deliver them so that each volunteer feels valued and learns their role to benefit the athlete, but also the community after the Games have gone.

For athletes competing in the Greater Trail 2006 BC Winter Games, their Games experience is part of their journey through the Long Term Athlete Development Model (LTAD)[1], whereby provincial Games are highlighted in the *Learning to Train* and *Training to Train* stages. This reinforcement of the Society's position to have provincial sport organizations bring their best young athletes, while requiring coaches and officials to have skills commensurate with this level of performance further emphasizes our role in the provincial sport system.

For participants attending the BC Disability Games, the BC Seniors Games, or the Northern BC Winter Games, these events offer *Learning to Train* and *Active for Life* opportunities, as defined in the LTAD. Each of these BC Games offer participation through a wide age range, meaning athletes just beginning to explore their personal sport potential could be competing across town from an accomplished athlete, each chasing a medal while embracing sport as a healthy choice for life.

The BC Games Society gives British Columbians of all ages an opportunity to become involved in sport, whether as a volunteer or participant. With four Games each fiscal year, and our mandate to be a provincial wide organization, the majority of BC's residents can access the BC Games and make it a step on their own path to success and well-being.

The 2005 / 2006 BC Games Society Annual Report was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the report, including the selection of the performance measures and how the results have been reported. The information presented represents the actual performance of the BC Games Society for the twelve months ended March 31, 2006. All significant decisions, events, and identified risks, as of May 1, 2006, have been considered in preparing this report.

[1] Canadian Sport for Life Resource Paper published by the Canadian Sport Centres, ISBN 0-9738274-0-8

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our service plan. The measures are consistent with the BC Games Society's mission, goals, and objectives and focus on aspects critical to the organization's performance.

We are responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion.

This report contains estimates and interpretive information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

In closing, we wish to acknowledge the vision and passion of our Board of Directors and the commitment the staff of the BC Games Society bring each day. Many thanks also to Minister Olga Ilich for her support at Games she attends, and her appreciation for the role the BC Family of Games serves in the provincial sport system.

Respectfully submitted,

W. Ladner-Beaudry

Wendy Ladner Beaudry, Co-Chair
BC Games Society

Tony Fiala

Tony Fiala, Co-Chair
BC Games Society

## 2. Organizational Overview

***The Purpose of the BC Games is:***

*To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is:*

- to motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity.
- to encourage and motivate athletes, coaches and officials to attain a higher level of skill and competitive achievement.
- to organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system.
- to provide each hosting community with a legacy of experienced volunteers and facility improvements.
- to share the spirit of the Games with British Columbians of all regions of the province.
- to celebrate the community.

Since 1978, the BC Games Society (Society) has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest multi-sport events. Located in Victoria, BC, the Society provides event management support and software, and financial resources to each of its Games host communities. These host cities then form separate not-for-profit societies for the three-year cycle of their games management.

The BC Games Society was established in 1977 to provide community and sport development across BC. The BC Games Society is included in the public accounts of the Government of British Columbia and is a crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the *Society Act* in 1987 to provide event management leadership to achieve sport, individual and community development.

The scope of the BC Games was broadened in 1994 with the addition of the Northern BC Winter Games, BC Disability Games, and the BC Seniors Games. Similar to our relationship with the BC Winter and Summer Games, the Society provides support and resources to each of these Games, with policy direction coming from the respective Boards of these three BC Games. Host cities also form their own societies during the cycle of games hosting.

The society's mandate is to provide event management services to host communities in the areas of administrative support, Games marketing, volunteer management, contract management and financial administration.

In April 2004, the responsibility for the provision of provincial funding was transferred from the Province of British Columbia to the 2010 Legacies Now Society. 2010 Legacies Now Society

works in partnership with community-based organizations to develop and support participants and athletes from playground to podium, and to develop vibrant volunteer sectors, healthy and active communities, and diverse arts and cultural activities. Through a negotiated schedule within an Agreement for Financial Assistance with the 2010 Legacies Now Society, the BC Games Society delivers its five multi-sport Games and ancillary programs.

Communities around the province embrace the BC Games hosting opportunity as a chance to highlight their citizens and facilities to the rest of the province. While the BC Games are a four-day celebration, the legacy of these multi-sport events lives on in new and improved facilities, enhanced volunteer skills, and financial impacts due to participant and volunteer spending.

### *Mission*

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

### *Vision*

Our vision is that:

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each Host Community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

### *Values*

The values that underpin how we interact in our relationships are:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.
- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

## 3. Report on Games Performance

The core business of the BC Games Society is the event management of the BC Winter Games and BC Summer Games. In support of those two multi-sport events, it is important that the operations of the BC Games Society are supplemented by the investments of corporate partners. The goals, strategies, measures, and targets noted in the 2005 / 06 – 2007 / 08 BC Games Society Service Plan update have been refined to focus on the two key areas of strategic priorities.

In addition to the results of Effective Management and Entrepreneurial Activities, the BC Games Society has had a successful year in leveraging government investment by having Host Community governments and business invest $1, 477,000 of additional value into the four BC Games held in fiscal year 2005 / 2006.

BC Games Society Host Societies also recruited and trained 7,976 volunteers in four BC Games. Using an average of time spent by a volunteer during the Trail BC Winter Games, and a conservative value of $10 per hour, volunteers contributed $3.4 million of value to the four BC Games during this past fiscal year.

### *Risks and Sensitivities*

During the period covered by this Annual Report, the BC Games Society planned for / funded / staged:

- Nanaimo 2005 BC Disability Games
- Cowichan Valley 2005 BC Seniors Games
- 100 Mile House 2006 Northern BC Winter Games
- Greater Trail 2006 BC Winter Games
- Kamloops 2006 BC Summer Games
- Abbotsford 2006 BC Seniors Games
- Fort St. John 2007 Northern BC Winter Games
- Powell River 2007 BC Disability Games
- Kimberley – Cranbrook 2008 BC Winter Games

The BC Games Society relies on third party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and the training of coaches and officials is the responsibility of the Provincial Sport Organizations. Their successes in recruitment and training are reflected in our statistics of BC Games athletes and certified coaches. At the Greater Trail 2006 BC Winter Games, Cross Country – Disabled experienced difficulty in recruiting eligible athletes and declined the invitation to attend these Games, while Basketball – Wheelchair, Weightlifting and Swimming for Athletes with a Disability brought low percentages of their required participants (38% for each). BC Games Society changed its coaching requirement to include only Head Coaches to be certified at the National Coaching Certification Program level 2, but only 52% were qualified. Society staff continue to meet with all sports involved to assist in maximizing the BC Games opportunities while the provincial sport system reinforces our role within the LTAD.

Ownership of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games lies with their respective Boards. The agreements with these respective agencies is for event management services only and subsequently, advice and/or direction by the BC Games Society can be superseded by the Partner Board, making volunteer and/or participant satisfaction standards as defined in the Performance Measures difficult to meet. Ongoing communications and policy advice from the BC Games Society Board to the Partner Boards by staff continues to be the most effective way to ensure quality Games management and that processes are followed.

In all instances of the BC Games Society involvement, there is an underlying faith that cities and municipalities wish to host the BC Games. Should a candidate city not come forward, those measures and targets would not be applicable. BC Disability Sports did not receive any bids to host the 2006 BC Disability Games, while four cities expressed interest to the Northern BC Winter Games Society to host the 2008, 2009 and 2010 events.

## 4. Alignment with Government's Strategic Plan

The BC Games Society supports three of Government's priorities as identified in their Strategic Plan.

**To lead the way in North America in healthy living and physical fitness**

The purpose of the BC Winter and BC Summer Games is to provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event. The BC Games Society promotes interest and lifelong participation in sport and sporting activities and individual achievement. Additionally, all five members of the BC Family of Games promote healthy, active lifestyles for a broad range of populations, and builds capacity such as skilled volunteers, sport programs, equipment and facilities, all avenues that continues to contribute to healthy communities.

**To build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors**

Integration of athletes with a disability has been a way of doing business since our inception. Recently, we have expanded opportunities for these athletes by including additional Paralympic sports in our BC Winter Games. Our event management partnerships with the BC Seniors Games and BC Disability Games means additional financial resources and professional staff provide for positive experiences for athletes from both constituencies.

**To make BC the best educated, most literate jurisdiction on the continent**

Our commitment to the provision of quality written resources for the training and education of volunteers continues. Our *Guidelines for the Host Community* are now on line making them more accessible for more volunteers. Partnering with 2010 Legacies Now Society and their Vol Web project will provide even greater resources to volunteers allowing them to expand their knowledge base, giving them added skills, greater knowledge, and gained confidence.

## *Goal 1 – Effective Management of BC Winter Games, BC Summer Games and Partner Games*

**Objectives**

In partnership with the Greater Trail 2006 BC Winter Games Society, the Kamloops 2006 BC Summer Games Society, and the Kimberley-Cranbrook 2008 BC Winter Games Society, plan, prepare and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.
Working with the Parent and local Boards of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.

**Key Strategies**

- Provide concise written and online materials to support the volunteers in creating a quality BC Games
- Promote Provincial Sport Organization's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a network of key volunteers across the province.

| Performance Measures | Targets | | | | | |
|---|---|---|---|---|---|---|
| | 03 / 04 Actuals | 04 / 05 Actuals | 05 / 06 Trail 2006 BC Winter Games | 06 / 07 Kamloops 2006 BC Summer Games | 07 / 08 Kimberley – Cranbrook 2008 BC Winter Games | Results |
| Volunteers use and value on line tasks, samples and protocols to effectively manage their Games | On line guidelines were being developed during this period | On line guidelines were being developed and tested during this period | 75% satisfaction rating of online resources. | Two year surveys of Kamloops and future volunteers expected to meet or exceed baseline results as guidelines become more refined<br><br>06 / 07 – 80% satisfaction<br>07 / 08 – 80% satisfaction | | Trail volunteers expressed a 68% overall satisfaction rate with online resources[2] Initial results showed 73% satisfaction.<br>Numbers below target due to volunteers' lack of comfort with computers and/or preference to hard copy access of materials. Kamloops volunteers expressed 100% satisfaction with online resources to date.[3] |

[2] Zoomerang survey conducted by BC Games Society of Greater Trail volunteers (February 2006)
[3] Zoomerang survey conducted by BC Games Society Kamloops volunteers (April 2006)

| | 03 / 04 Actuals | 04 / 05 Actuals | 05 / 06 Trail 2006 BC Winter Games | 06 / 07 Kamloops 2006 BC Summer Games | 07 / 08 Kimberley – Cranbrook 2008 BC Winter Games | Results |
|---|---|---|---|---|---|---|
| Coaches attending the BC Winter and BC Summer Games are certified at the required level 2 | Coaching certification not measured at Port Alberni 2004 BC Winter Games | 70%[4] of coaches attending the Abbotsford Games were certified to BC Games standards | 70% of attending coaches at the Trail Games will be certified | 70% of attending coaches at the Kamloops Games will be certified | 80% of attending coaches at the Kimberley-Cranbrook Games will be certified | 52% of coaches in Trail met the standard. Reasons vary from Provincial Sport Organizations as to why this number is low (eg: lack of opportunity for northern coaches, limited commitment to raising the level) |
| Athletes and coaches in the BC Winter and BC Summer Games move on to higher levels of competition including the Canada Games | Surveys involving BC athletes at Canada Games had not yet begun | Surveys involving BC athletes at Canada Games had not yet begun | Target to be determined. | It is expected future surveys will show increases to the baseline based upon adherence to the BC Games core sport program[5]<br><br>No Canada Games in 2006/07<br>2007/08 expect 60% of the Canada Games team to have had a BC Games experience. No Canada Games in 2008/09 | | 41% (144) athletes and 75% (40) of the coaches attending the Regina 2005 were BC Games alumni (52.5% of the entire team)[6] |
| Legacies in each of the three years include new sport club development, hundreds of trained volunteers, equipment and facility upgrades | Port Alberni trained 3212 volunteers while directly investing $89,515 in sport.<br><br>Post Games legacy for future investment and opportunity is $96,503 | Abbotsford Games trained 3639 volunteers while directly investing $31,500 in sport.<br><br>Post Games legacy for future investment and opportunity is $174,394 | Greater Trail Games will require 2200 volunteers, investing $50,000 directly into sport<br><br>Legacy expected to be $65,000 | Recruited volunteers expected to be 3500 Kamloops Games will invest $80,000 of cash and in-kind into sport<br><br>An additional $75,000 expected in legacy grants | Recruited volunteers expected to be 2300 Kimberley-Cranbrook Games will invest $80,000 of cash and in-kind into sport .<br><br>An additional $65,000 expected in legacy grants | Trail Games recruited and trained 3035 volunteers $90,000 cash and ~$100,000 of in-kind value was invested in sport<br><br>Anticipated legacy is $70,000 |

[4] statistics provided by participating Provincial Sport Organizations

[5] Core Sport Program identifies how sport can access opportunities at BC Winter and BC Summer Games (more info@www.bcgames.org)

[6] statistics provided by the Team BC program (Sport Division / Ministry of Tourism, Sport and the Arts)

## *Goal 2 - Entrepreneurial Activities*

**Objectives**

To ensure financial sustainability and enhancement of BC Games through entrepreneurial activity by increasing the level of non–governmental fiscal support to the benefit of the BC Summer and BC Winter Games.

**Key Strategies**

- Establish new and maintain existing corporate partners through a thorough delivery on our contractual obligations.
- Provide supportive documentation and event management to Host Communities to recruit and develop local cash and value-in-kind support.

| Performance Measures | Targets | | | | | |
|---|---|---|---|---|---|---|
| | 03 / 04 Actuals | 04 / 05 Actuals | 05 / 06 Trail 2006 BC Winter Games | 06 / 07 Kamloops 2006 BC Summer Games | 07 / 08 Kimberley – Cranbrook 2008 BC Winter Games | Results[7] |
| As corporate partners, Air Canada Jazz, Global BC, and TELUS provide cash and in-kind services to offset budgeted expenditures | AC Jazz provided $110,000 value through charter discounts and staff travel | AC Jazz provided $110,000 value through charter discounts and staff travel | AC Jazz provided $110,000 value through charter discounts and staff travel | AC Jazz provided $110,000 value through charter discounts and staff travel | Contract renegotiation with AC Jazz beginning April 1, 2007 – anticipating a 2 year renewal | $110,000 received in value through charter discounts, staff travel, and athlete prizing |
| | Global BC provided $80,000 in-kind value | Global BC provided $80,000 in-kind value | Global BC provided $80,000 in-kind value | Contract negotiation with Global BC begins April 1, 2006 – expected to extend until 2011 | Global BC provides $80,000 in-kind value | Received 200 promotional spots in support of Trail Winter and Kamloops Summer Games, valued at $125,661 |
| | TELUS negotiations were initiated | TELUS negotiations were underway – no contract signed | TELUS provides $85,000 cash and in-kind value | TELUS provides $85,000 cash and in-kind value<br><br>BC Games Society adds one new partner – value $70,000 | TELUS provides $85,000 cash and in-kind value<br><br>New partner enters 2nd year of agreement | TELUS provided cash and in-kind value of $85,000 |

[7] Sources for all results in this report include audited statements, viewTeam software, Provincial Sport Organization reporting, and BC Games Society staff reporting

# 5. Financial Report

## *Management Discussion and Analysis*

Assessment of Results of Operations and Changes in Financial Conditions

06/07 Budget based on figures approved Jan 30,2006

**Summary Financial Outlook**

**2006/07 - 2008/09**

| | 2004/05 Actual | 2005/06 Revised Budget | 2005/06 Actuals | 2006/07 Budget | 2007/08 Forecast | 2008/09 Forecast |
|---|---|---|---|---|---|---|
| **Total Revenue** | **2,153** | **2,275** | **2,226** | **2,545** | **2,592** | **2,564** |
| 2010 LegaciesNow Grant[8] | 1,987 | 2,027 | 2,027 | 2,137 | 2,177 | 2,177 |
| Other Revenues[9] | 166 | 248 | 199 | 317 | 415 | 387 |
| **Total Expenses** | **2,211** | **2,339** | **2,269** | **2,437** | **2,591** | **2,510** |
| Grants | 749 | 704 | 704 | 785 | 755 | 785 |
| Games Operations | 442 | 555 | 588 | 539 | 765 | 570 |
| Overhead | 1,020 | 1,080 | 977 | 1,113 | 1,071 | 1,155 |
| **Operating Income (Loss)** | **(58)** | **(64)** | **(43)** | **17** | **1** | **54** |
| **Net Income (loss)** | **(58)** | **(64)** | **(43)** | **17** | **1** | **54** |
| Operating and Capital Surplus B/F | 954 | 896 | 896 | 853 | 849 | 871 |
| **Operating and Capital Surplus C/F** | **896** | **832** | **853** | **871\0** | **850** | **925** |
| **FTEs** | **9** | **9** | **9** | **9** | **9** | **9** |

Variances to the 2005 / 2006 year are attributable to excess costs associated with our external travel and staff support of the various host community Boards. Revenue was lower than projected as our anticipated new corporate partner chose to align with 2010 Winter Olympic and Paralympic Games. The 2006/07 – 2008/09 Service Plan indicated a projected net income of $26,000 in 2005 / 2006. That budget was revised by $90,000 in January 2006 to reflect significant increases in external transportation costs due to escalating fuel prices.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to the long-term financial health of the BC Games. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets take into consideration our role and mandate and the strategic objectives of our annual Service Plan. Expenditures for the fiscal year ending March 31, 2006 were $2,268,757 or $42,681 over revenues.

[8] As of April 1, 2004 Society's grant is delivered through an Agreement for Financial Assistance with the 2010 Legacies Now Society

[9] Fluctuations in self generated revenue due to athletes' fees (more athletes in summer games than winter games)

As an organization, the BC Games Society plans on two-year cycles, taking into account our two major events and largest expenses, the BC Winter Games and the BC Summer Games. Fiscal year 2004/2005 featured the Abbotsford 2004 BC Summer Games; they received a grant of $600,000 with an additional $422,000 spent on external travel for athletes attending those Games. In 2005/2006, Greater Trail hosted the BC Winter Games and received a grant of $525,000, with a further $572,550 being spent on external travel. While the hosting grant was less for the BC Winter Games, our external travel costs for participants attending the BC Winter Games was greater than last year and higher than budgeted. Initial higher costs are reflective of the larger number of participants flying to the BC Games[10] and we exceeded our budget due to the substantial increase in fuel costs and heavier than expected cargo requirements.

Budget surpluses at the BC Summer and BC Winter Games host community level are shared equally between the host and this society. Abbotsford returned $151,094 to us while it is estimated the Trail surplus will be approximately $70,000

BC Games Society also provides operating grants and services to each of the Northern BC Winter Games, BC Disability Games, and BC Seniors Games for a total of $330,000. Surpluses in those communities are not split with the BC Games Society but go directly back to the parent society of the respective Games.

### *Major Risks and Opportunities*

BC has the most aggressive multi-sport campaign in the country, having four Games in each fiscal year. The Society continues to monitor the pressures of staging this number of events within the province as sponsorship and volunteer fatigue, saturation of available hosting communities, and overall fiscal sustainability continue to offer challenges.

Escalating fuel costs impact our budget, as staff travel to as many as ten host communities currently engaged in hosting opportunities. Additionally, fuel costs affect the external transportation of summer and winter participants as is noted above. Although BC Games Society has an accumulated surplus, we must continue to acquire further revenue sources to balance these fluctuations to our budget.

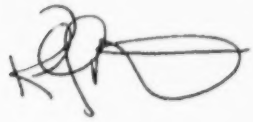
As of April 1, 2004, funding to the BC Games Society comes through an Agreement for Financial Assistance with the 2010 Legacies Now Society. That society is committed to province wide sport development that will help put athletes on the podium and leave a lasting legacy for all of BC as a result of hosting the 2010 Winter Olympic and Paralympic Games. In the audited statements, the revenue noted as Province of British Columbia, is the same as funding from 2010 Legacies Now.

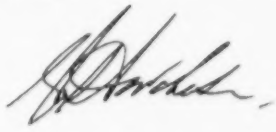
### *Management's Responsibility for Financial Reporting*

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the society as at March 31, 2006 and the results of its operations.

[10] BC Games policy is that any participant 500 miles or further from the Host Community flies instead of charter bus.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.





Kelly Mann
President and CEO

Gordon Hutcheson, FCA
Accountant

## 6. Corporate Governance

The BC Games Society is responsible to the Minister of Tourism, Sport and the Arts.

A fifteen member community based Board of Directors, appointed by Ministerial Order, sets the strategic direction of the BC Games Society within direction from the provincial sport system and approval by the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by the *"Best Practice Guidelines for Governance and Disclosure for Governing Boards of British Columbia Public Sector Organizations"* published by the Board Resourcing and Development Office.

The Board of Directors' guiding principles are:

- Accountability and Performance
- Openness, Trust and Transparency
- Stewardship, Leadership and Effectiveness
- Clarity of Roles and Responsibilities
- Service and Corporate Citizenship
- Value, Innovation and Improvement

Since April 1, 2004,the Society has received its core funding through an Agreement for Financial Assistance from the 2010 Legacies Now Society, and provides them with interim and final reports based on deliverables in that agreement.

### *Board Members and Committees*

Committees of the Board include:

- Finance – responsible for the review of all financial reports, audited statements, and supporting financial materials in order to make recommendations to the Board.
- Sport – reviews and recommends to the Board, sport and communities for inclusion in the BC Winter and BC Summer Games.
- Marketing and Communications – assist in the development of the strategic direction for marketing the BC Games as well as recommending options for Corporate Partner benefits and acquisition.

Members of the Board of Directors include:

- Wendy Ladner Beaudry, Co-Chair, Vancouver
- Tony Fiala, Co-Chair and Finance Committee, Williams Lake
- Sharon White, Victoria, Provincial Government, Marketing and Communications Committee, Finance Committee
- Scott Braley, North Vancouver, 2010 Legacies Now Society
- Elsa McIntee, Richmond, BC Seniors Games Society
- Bob Irwin, Kitimat, Northern BC Winter Games Society, Sport Committee
- Linda Palm, BC Disability Sports, Sport Committee
- Gary Young, North Vancouver, Chair, Marketing and Communications Committee
- George Kawaguchi, Burnaby, Sport Committee
- Bruce Johnson, Penticton, Finance Committee
- Kimberly White Gilhooly, Vernon, Marketing and Communications Committee, Sport Committee

- Marni Abbott, Vancouver, Sport Committee
- Frank Lento, Fernie, Chair, Sport Committee
- Jennifer Williams, Duncan
- Rod Cox, Terrace, Chair, Finance Committee, Marketing and Communications Committee

Additional information on Board members and Board policies is available on our website, www.bcgames.org The BC Games Society complies with the provincial government's "Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations". See http://www.bcgames.org/facts_and_figures_board_governance.html

## 7. Financial Statements

**AUDITORS' REPORT**

**To: The Board of Directors of the BC Games Society**

We have audited the statement of financial position of the BC Games Society as at March 31, 2006 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2006 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Victoria, B.C.
April 27, 2006

Chartered Accountants

Morrell Dickson Blades Wiseman

**BC GAMES SOCIETY**

**STATEMENT OF FINANCIAL POSITION**

| **MARCH 31,** | **2006** | **2005** |
|---|---|---|
| | **$** | **$** |
| ***ASSETS*** | | |
| CURRENT | | |
| Cash and cash equivalents | 1,375,840 | 882,866 |
| Receivables | 110,660 | 6,973 |
| Inventory | 837 | 4,033 |
| Prepaids | 1,950 | 625 |
| | 1,489,287 | 894,497 |
| CAPITAL ASSETS *(Note 3)* | 106,795 | 115,290 |
| | 1,596,082 | 1,009,787 |
| **LIABILITIES** | | |
| CURRENT | | |
| Payables and accruals | 723,171 | 90,848 |
| Deferred funding *(Note 11)* | 19,347 | 22,694 |
| | 742,518 | 113,542 |
| ***NET ASSETS*** | | |
| NET ASSETS INVESTED IN CAPITAL ASSETS | 106,795 | 115,290 |
| INTERNALLY RESTRICTED FUNDS | 30,744 | 30,744 |
| UNRESTRICTED NET ASSETS | 716,025 | 750,211 |
| | 853,564 | 896,245 |
| | 1,596,082 | 1,009,787 |

COMMITMENTS *(Note 5)*

CONTINGENT LIABILITY *(Note 6)*

APPROVED BY THE BOARD

W. Usher-Beaudry Director

Director

**BC GAMES SOCIETY**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31,**

***CURRENT YEAR (2006)***

| | Investment in Capital Assets $ | Internally Restricted Funds (Note 7) $ | Unrestricted Operations $ | 2006 Total $ |
|---|---|---|---|---|
| NET ASSETS, beginning of year | 115,290 | 30,744 | 750,211 | 896,245 |
| (DEFICIENCY) OF REVENUE OVER EXPENSES | - | - | (42,681) | (42,681) |
| AMORTIZATION OF CAPITAL ASSETS | (31,230) | - | 31,230 | - |
| INVESTMENT IN CAPITAL ASSETS | 22,735 | - | (22,735) | - |
| NET ASSETS, end of year | 106,795 | 30,744 | 716,025 | 853,564 |

***PRIOR YEAR (2005)***

| | *Investment* in Capital Assets $ | Internally *Restricted* Funds (Note 7) $ | Unrestricted Operations $ | 2005 Total $ |
|---|---|---|---|---|
| NET ASSETS, beginning of year | 115,166 | 30,744 | 808,548 | 954,458 |
| (DEFICIENCY) OF REVENUE OVER EXPENSES | - | - | (58,213) | (58,213) |
| AMORTIZATION OF CAPITAL ASSETS | (28,791) | - | 28,791 | - |
| INVESTMENT IN CAPITAL ASSETS | 28,915 | - | (28,915) | - |
| NET ASSETS, end of year | 115,290 | 30,744 | 750,211 | 896,245 |

*See accompanying notes*

## BC GAMES SOCIETY

## STATEMENT OF GENERAL OPERATIONS

| YEAR ENDED MARCH 31, | 2006<br>$ | 2005<br>$ |
|---|---|---|
| REVENUE | | |
| Province of British Columbia - Operating Grant | 1,832,000 | 1,832,000 |
| - Grant - Family of Games | 195,000 | 155,000 |
| Funding partner *(Note 10)* | 40,000 | - |
| Souvenirs | 4,895 | 4,634 |
| Contractual revenues, net | 3,000 | 23,684 |
| Athlete registration | 99,388 | 112,423 |
| Interest earned | 51,793 | 24,970 |
| | 2,226,076 | 2,152,711 |
| EXPENSES | | |
| Salaries and employee benefits | 602,458 | 623,019 |
| Travel and accommodations | 87,328 | 64,465 |
| Professional services | 25,289 | 37,346 |
| Computer maintenance | 1,679 | 1,500 |
| Office and business expenses | 78,723 | 108,995 |
| Advertising and publications | 42,218 | 42,657 |
| Insurance, leases and utilities | 108,200 | 114,020 |
| Games operating costs | 587,726 | 441,634 |
| Amortization | 31,230 | 28,791 |
| Operating grants, less returns | 703,906 | 748,497 |
| | 2,268,757 | 2,210,924 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | (42,681) | (58,213) |

**See Schedules 1, 2 and 3 for Schedule of Expenses**

*See accompanying notes*

**BC GAMES SOCIETY**

**STATEMENT OF CASH FLOWS**

| YEAR ENDED MARCH 31, | 2006<br>$ | 2005<br>$ |
|---|---|---|
| CASH FLOW DERIVED FROM (APPLIED TO) | | |
| Operating | | |
| Excess (deficiency) of revenue over expenses | (42,681) | (58,213) |
| Amortization | 31,230 | 28,791 |
| | (11,451) | (29,422) |
| Changes in non-cash operating working capital | | |
| Receivables | (103,687) | 33,994 |
| Inventory | 3,196 | 1,945 |
| Prepaids | (1,325) | 784 |
| Payables and accruals | 632,323 | (166,897) |
| Deferred funding | (3,347) | 22,694 |
| | 515,709 | (136,902) |
| Investing | | |
| Purchase of capital assets *(Note 3)* | (22,735) | (28,915) |
| NET INCREASE (DECREASE) IN CASH | 492,974 | (165,817) |
| CASH, beginning of year | 882,866 | 1,048,683 |
| CASH, end of year | 1,375,840 | 882,866 |

*See accompanying notes*

## 1. STATEMENT OF PURPOSE

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 90% of the Society's revenues are received from the Province of British Columbia with the remainder generated by corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The term "Society" is used to mean the BC Games Society.

*(a) Capital Assets*

Amortization is calculated on a straight-line basis over the asset's estimated useful economic life, as follows:

| | |
|---|---|
| Computer and general application software | 3 years |
| Registration programs and computer cabling | 5 years |
| Bedding, flags and signs for host societies | 7 years |
| Furniture and equipment | 10 years |
| Trademarks | 20 years |
| Leaseholds | over the term of the lease |

In the year of purchase capital assets are amortized at half their normal rates.

*(b) Revenue Recognition*

The Society follows the deferral method of accounting for Grants and Contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Donated or discounted goods and services are recorded at the amount of cash consideration.

Receipt of surplus from Summer and Winter Games Societies is recorded at the earlier of cash receipt and final determination of the amount of the surplus.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*(c) Measurement Uncertainty and the Use of Estimates*

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates.

*(d) Provincial Contributions*

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

*(e) Legacy Funds - Host Communities*

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

*(f) Grants to Host Societies*

Grants to host societies are recorded as an expense when disbursements of funds has been authorized.

## 3. CAPITAL ASSETS

| | 2006<br>$ | 2005<br>$ |
|---|---|---|
| Registration software | 265,990 | 252,405 |
| Application software | 15,037 | 11,931 |
| Computers | 39,055 | 35,396 |
| Bedding, flags and signs for Host Societies | 119,722 | 117,337 |
| Furniture and equipment | 20,732 | 20,732 |
| Cabling | 8,436 | 8,436 |
| Leaseholds | 17,172 | 17,172 |
| Trademarks | 763 | 763 |
| At cost | 486,907 | 464,172 |
| Less: Accumulated amortization | 380,112 | 348,882 |
| Net book value | 106,795 | 115,290 |
| Additions during the year | | |
| Computers | 3,659 | 6,701 |
| Bedding | 2,385 | 4,894 |
| Registration software enhancements | 13,585 | 16,567 |
| Computer software | 3,106 | 753 |
| | 22,735 | 28,915 |

## 4. SURPLUS FROM HOST SOCIETIES

Surplus from the host societies is comprised of:

| | 2006 $ | 2005 $ |
|---|---|---|
| Port Alberni 2004 Winter Games Society | - | 96,503 |
| Abbotsford 2004 Summer Games Society | 151,094 | - |
| | 151,094 | 96,503 |

## 5. COMMITMENTS

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. The Society is also committed to provide funding to host societies for staging of events scheduled during the years.

General Commitments

Minimum annual commitments in each of the next five fiscal years are as follows:

| | ***Total*** $ |
|---|---|
| 2007 | 183,200 |
| 2008 | 176,800 |
| 2009 | 34,300 |
| 2010 | 19,900 |
| 2011 | 500 |
| | 414,700 |

Host Society Commitments

| | 2007 $ | 2008 $ | 2009 $ | 2010 $ | 2011 $ | |
|---|---|---|---|---|---|---|
| 2007 to 2011 | | | | | | |
| B.C. Seniors Games | 110,000 | 110,000 | 110,000 | - | - | |
| B.C. Disability Games | 110,000 | 110,000 | 110,000 | - | - | |
| Northern B.C. Winter Games | 110,000 | 110,000 | 110,000 | - | - | |
| Kamloops Summer Games Society | 550,000 | - | - | - | - | |
| Kimberly/Cranbrook Winter Games Society | 50,000 | 450,000 | - | - | - | |
| Kelowna Summer Games Society | - | 50,000 | 550,000 | - | - | |
| Terrace Winter Games Society | - | - | 50,000 | 450,000 | - | |
| Township of Langley Summer Games Society | - | - | - | 50,000 | 550,000 | |
| Winter Games – February 2012 | | - | - | - | 50,000 | |
| | 930,000 | 830,000 | 930,000 | 500,000 | 600,000 | 3,790,000 |
| Total five year commitments | | | | | | 4,204,700 |

## 6. CONTINGENT LIABILITIES

The Society has been named as a party to a lawsuit related to injuries sustained by a volunteer of the Nanaimo 2002 Summer Games. As the outcome is not yet determined, no provision has been made to the accounts with respect to this matter.

## 7. INTERNALLY RESTRICTED FUNDS

The Society has restricted funds of $30,744 for future use for foam mattresses, other office equipment and for any claims against the Society as detailed in Note 6.

## 8. RELATED PARTY TRANSACTIONS

The Society is economically dependent on the receipt of funding from the Province of British Columbia. Early in each fiscal year the annual funding from the Province is paid to the Society to cover the operating cost for that year. The use of the funds is governed by the Agreement for Financial Assistance signed by both parties.

During the fiscal year, the Society received funding of $1,832,000 from the Province for operations. In addition, $195,000 was received for specific use as grants to assist in the running of the Northern, Disability and Senior Games. These funds are held in trust by the Province in short-term securities with interest being credited to the Society each month.

Details of transactions are as follows:

| | 2006<br>$ | 2005<br>$ |
|---|---|---|
| Grant received- Operations | 1,832,000 | 1,832,000 |
| - Family of Games | 195,000 | 155,000 |
| Interest earned | 51,793 | 24,970 |
| Balance in the Investment Trust Account at year end (included in cash equivalents on the Statement of Financial Position) | 1,267,099 | 808,096 |

## 9. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and cash equivalents, receivables, payables and accruals. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

## 10. FUNDING PARTNER

During the year, the Society received $40,000 from Telus as a sponsor of the BC Summer and Winter Games.

## 11. DEFERRED FUNDING

| | | 2006<br>$ | 2005<br>$ |
|---|---|---|---|
| a) | Funds for B.C. Olympic and Paralympics Youth Leadership Program: | | |
| | Opening balance | 19,430 | - |
| | Received from Government – Legacies Now | 1,000 | 3,000 |
| | Contributions from non-government sources | 10,750 | 16,430 |
| | | 31,180 | 19,430 |
| | Expenses | | |
| | Greater Trail 2006 Winter Games Society | 16,000 | - |
| | Other | 2,715 | - |
| | Balance, end of year | 12,465 | 19,430 |
| b) | Funds to further promote the B.C. Senior Games: | | |
| | Contributions from Government – Legacies Now | 20,000 | - |
| | Expenses incurred under the agreement | 15,118 | - |
| | Balance, end of year | 4,882 | - |
| c) | Funding from Telus for bursaries and to Kid Sport Fund: | | |
| | Opening balance | 3,264 | - |
| | Funds received | - | 4,000 |
| | Bursary paid | 1,264 | 736 |
| | Balance, end of year | 2,000 | 3,264 |
| | Total Deferred Funding | 19,347 | 22,694 |

## 12. SUBSEQUENT EVENT

Shortly after the year end, the Society received $2,027,000 from the Province of British Columbia on account of the grant for the 2006/07 fiscal year.

**BC GAMES SOCIETY**

**SCHEDULE OF EXPENSES**

| **YEAR ENDED MARCH 31,** | **2006** | **2005** |
|---|---|---|
| | **$** | **$** |
| SALARIES AND EMPLOYEE BENEFITS | | |
| CEO – base contract | 90,450 | 87,407 |
| Base salaries – other staff | 404,543 | 444,215 |
| Casual employees | 3,507 | 4,674 |
| Canada pension | 16,988 | 15,854 |
| Employment insurance | 9,516 | 8,970 |
| Medical services plan | 7,986 | 7,462 |
| Group insurance | 40,690 | 32,824 |
| Pension plan | 25,634 | 18,621 |
| Health development | 503 | 481 |
| Worker's Compensation Board | 2,641 | 2,511 |
| | 602,458 | 623,019 |
| TRAVEL AND ACCOMMODATION | | |
| Air travel | 17,599 | - |
| Travel and accommodation | 52,938 | 49,208 |
| Per diem | 14,561 | 12,406 |
| Mileage and parking | 2,230 | 2,851 |
| | 87,328 | 64,465 |
| PROFESSIONAL SERVICES | | |
| External accountants | 10,041 | 11,659 |
| Audit and legal | 12,748 | 13,752 |
| Sports partner services | 2,500 | 11,935 |
| | 25,289 | 37,346 |

**BC GAMES SOCIETY**

**SCHEDULE OF EXPENSES**

| **YEAR ENDED MARCH 31,** | **2006** **$** | **2005** **$** |
|---|---|---|
| COMPUTER MAINTENANCE | | |
| Maintenance | 1,679 | 1,500 |
| OFFICE AND BUSINESS EXPENSES | | |
| Office supplies | 18,238 | 20,898 |
| Postage | 10,907 | 8,999 |
| Office expenses | 14,208 | 20,813 |
| Board administration | 11,488 | 7,762 |
| Staff training | 4,467 | 6,312 |
| Data input | - | 444 |
| Business expenses | 6,713 | 8,171 |
| G.S.T. expense portion | 12,702 | 35,496 |
| | 78,723 | 108,995 |
| ADVERTISING AND PUBLICATIONS | | |
| Television advertising | 25,000 | 25,000 |
| Zone qualifying promotions | 3,767 | 1,185 |
| Corporate partner advertising | 4,544 | - |
| Marketing | 8,907 | 16,472 |
| | 42,218 | 42,657 |
| INSURANCE, LEASES, UTILITIES | | |
| Office and liability insurance | 24,862 | 27,935 |
| Rent, utilities, property tax | 57,113 | 56,533 |
| Telephone | 16,557 | 16,588 |
| Equipment lease | 9,668 | 12,964 |
| | 108,200 | 114,020 |

**BC GAMES SOCIETY**

**SCHEDULE OF EXPENSES**

| **YEAR ENDED MARCH 31,** | **2006** | **2005** |
|---|---|---|
| | **$** | **$** |
| GAMES OPERATING COSTS | | |
| External transportation - Summer | - | 422,014 |
| External transportation - Winter | 572,550 | - |
| Games general supplies | 15,176 | 19,620 |
| | 587,726 | 441,634 |
| OPERATING GRANTS | | |
| B.C. Disability Sport | 65,000 | 25,000 |
| Northern B.C. Winter Games Society | 65,000 | 65,000 |
| B.C. Senior Games Society | 65,000 | 65,000 |
| Northern B.C. Winter Games (Host Society) | 45,000 | 45,000 |
| B.C. Disability Games | 45,000 | - |
| B.C. Seniors Games (Host Society) | 45,000 | 45,000 |
| Abbotsford 2004 Summer Games Society | - | 550,000 |
| Greater Trail 2006 Winter Games Society | 475,000 | 50,000 |
| Kamloops 2006 Summer Games Society | 50,000 | - |
| | 855,000 | 845,000 |
| Less: Surplus from host societies *(Note 4)* | (151,094) | (96,503) |
| | 703,906 | 748,497 |

BRITISH
COLUMBIA

The Best Place on Earth

Honourable Olga Ilich, Minister

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